

FOREIGN AGRICULTURAL SERVICE

Revised FY 2001 and FY 2002 Annual Performance Plans

The Foreign Agricultural Service (FAS) was established on March 10, 1953, by Secretary's Memorandum No. 1320, Supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to FAS. These authorities were consolidated in Title 5 of the Agricultural Trade Act of 1978, as amended. Secretary's Memorandum No. 1020-39 dated September 30, 1993, transferred the functions of the former Office of International Cooperation and Development to FAS.

FAS administers programs authorized by separate statutes. These include the Agricultural Trade Act of 1978, as amended; the Food, Agriculture, Conservation, and Trade Act of 1990, as amended; the Agricultural Trade Development and Assistance Act of 1954, as amended; Food for Progress Act of 1985; Section 416(b) of the Agricultural Act of 1949; and Section 1458(a) of the National Agricultural Research, Extension and Teaching Policy Act of 1977. FAS' mission and strategic goals are derived from these legislative mandates. This document represents the revised FY 2001 Annual Performance Plan (APP) based upon appropriations received and the FY 2002 APP in support of the President's FY 2002 Budget.

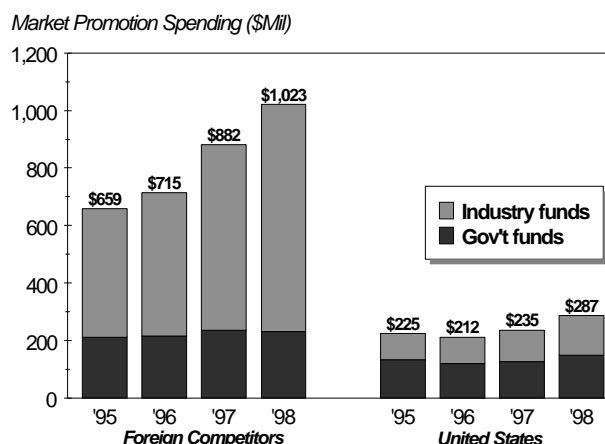
External Factors: FAS mitigates the negative impacts of external factors posed by foreign competitors by assessing competitor expenditures on export promotions and subsidies and by effectively deploying staff, and technological and program resources. External factors include foreign competitors' use of export subsidies, non-price export promotion, monopolistic marketing boards, and various technical assistance programs.

Other external factors outside FAS' span of control include: variability in crop production due to weather conditions, both at home and abroad; effect of foreign exchange fluctuations on the price of U.S. products abroad; political and economic instability that may undermine demand in key importing countries; and reductions in resources of other USDA and Federal agencies with which FAS works in partnership to fulfill its strategic mission and goals. FAS mitigates economic instability in foreign markets through the use of CCC Export Credit Guarantee programs to offset the effects of short-term liquidity shortages (e.g., in FY 1998 FAS increased export credit guarantee allocations to Asian countries suffering the effects of the Asian financial crisis). Additionally, FAS mitigates the effects of natural disasters (e.g., Hurricane Mitch) by shipping food aid commodities to and by managing technical assistance projects in those countries experiencing food shortages and damage to their basic infrastructure.

Overview:

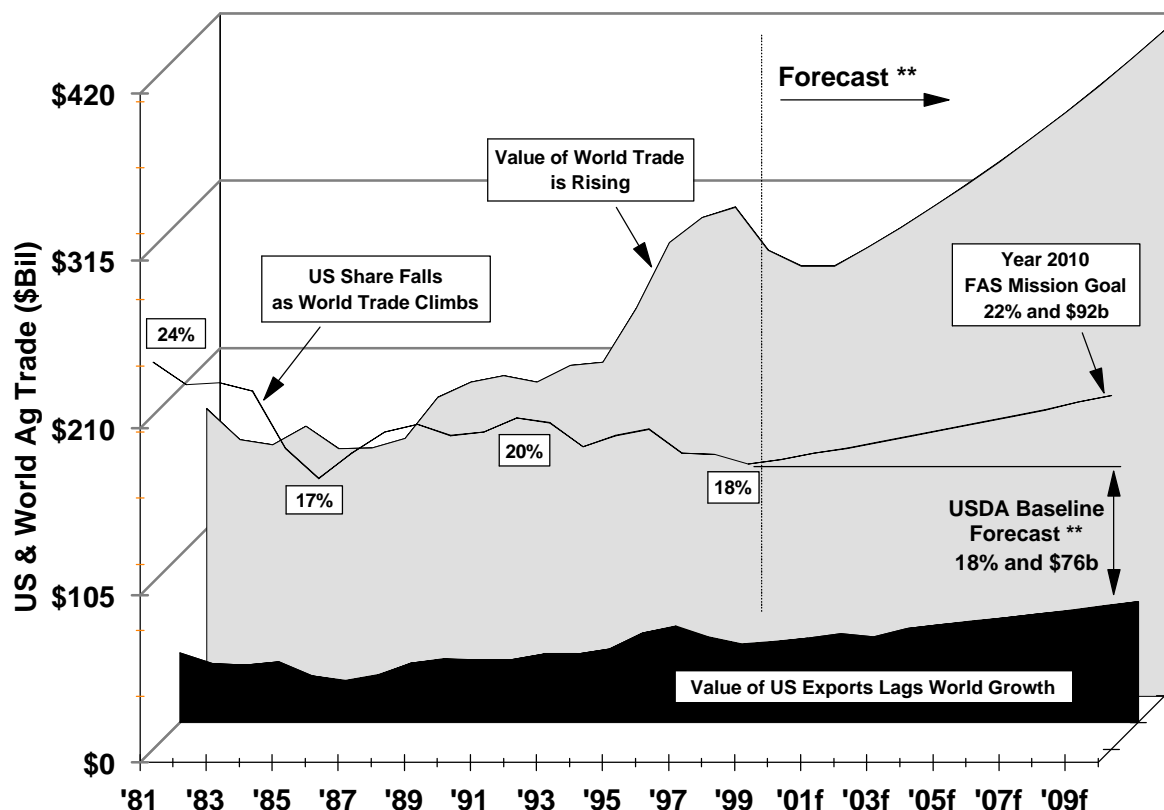
Expanding market opportunities for U.S. agriculture is central to USDA's goal of improving the economic livelihood of farmers and ranchers. Given that 96% of American agriculture's potential customers reside outside the Nation's borders, international trade presents an immense opportunity to strengthen the U.S. farm economy. Yet, in recent years, global agricultural markets have grown far more competitive. Foreign governments and their agricultural companies have almost doubled their market development funding while the commitment from the U.S. government and U.S. companies have remained essentially flat. Best estimates from 1998 have foreign competitors investing approximately \$700

Competitors' vs U.S. Investment in Market Promotion Support



US Share of World AgTrade, 1981-2010f

**** (World Trade & Baseline Trend reflect USDA baselines to 2010)**



million more in market development activities than the U.S. There is a strong correlation that these competitors are eating away at U.S. agriculture's market share and making clear the need for expanded commitment to market development. Trade liberalization opens markets but U.S. agriculture must be ready and able to seize the opportunities through more market development activities.

To enhance American agriculture's economic opportunities, in FY 2000, USDA set a goal to increase the U.S. market share of global agricultural trade from its current 18.2-percent level to 22 percent by the year 2010. In order to meet this goal, USDA will develop a global long-range marketing plan that enlists both its vast network of domestic field offices and its 80 foreign field offices in an unprecedented effort to expand market opportunities for U.S. producers. USDA will incorporate into this effort strategies that take advantage of new products resulting from recent advances in agricultural technology. Once fully operational, this worldwide marketing effort will enable USDA to leverage its global resources to help U.S. farmers and ranchers take full advantage of opportunities wherever they exist around the globe. The benefits in terms of additional U.S. exports and farm income could be substantial. Given the expected level of global agricultural trade by 2010, a 3.5-percent increase in U.S. market share will translate into a gain of \$14 billion in U.S. exports and an estimated \$3.5 billion in farm income.

Fiscal Year (FY) 2000 was a productive year for U.S. agriculture. Exports turned the corner after a disappointing year in FY 1999, registering nearly a billion dollars in sales growth. This trend is expected to continue in FY 2001, with agricultural exports forecast to reach \$53 billion, up \$2.1 billion over the final FY 2000 figure of \$50.9 billion. Much of the gain is expected in Asia, as that region's economic growth continues to rebound from the financial crisis of 1997-99. Export prospects are promising in both

value and volume terms for most major commodities, including corn, wheat, soybeans, soybean meal, livestock products, and horticultural products. While U.S. agriculture has made progress, there still remains much work ahead. Reversing the long-term negative trend in U.S. market share in global markets must continue to be a major priority. Reclaiming the 22-percent share of the world market that we had in the early 1990s is an ambitious but doable goal. However, it will require additional commitment and a shift in focus towards targeting and aggressively pursuing opportunities in the growth markets where U.S. companies need to increase their market share over the next decade.

However, this new focus must be balanced with the need to maintain U.S. presence in those mature markets that U.S. companies have established over the last 20 years. An example of this shift is represented by the performance indicator for trade shows. USDA is shifting its support to assist U.S. firms attending shows in emerging, higher-risk growth markets. Exporters will continue to attend established shows in the mature markets but need assistance in the emerging markets to offset the initial costs and risks in capturing new markets. Exports are expected to result from both, but USDA will only track exports resulting from sponsored shows in the aforementioned performance indicator. Other key performance indicators of progress in support of the goal of increased market share include international trade negotiations aimed at expanding market access; and credit guarantee programs (GSM-102/103) to help facilitate the export of U.S. products.

On the market access front, negotiations continue to liberalize international agricultural trade and expand U.S. agriculture's access to overseas markets. USDA is working closely with the U.S. Trade Representative's office to achieve trade reforms that ensure fairness and improve access to global markets for U.S. farmers and ranchers. In June 2000, the United States tabled an aggressive and comprehensive proposal, establishing a framework for the new agriculture negotiations. This proposal called for substantial reductions in tariffs, the elimination of export subsidies, and the simplification and reduction in disparities in domestic support. It also included provisions addressing special treatment for developing countries, food security, and sectoral initiatives. In tabling its comprehensive proposal, the United States took an important step towards setting the agenda for these negotiations in a way that will enable us to achieve a more open, stable, and prosperous world agricultural trading system, one which offers more opportunity to farm families in America; fairness for farmers in the developing world; and better prices and choice for consumers everywhere. Negotiations also are continuing to establish a Free Trade Area of the Americas by 2005. Among other things, the agricultural objectives for these negotiations include the elimination of export subsidies that affect trade in the Western Hemisphere.

To be successful in these multilateral negotiations, FAS initiated in FY 2000 a sustained effort to engage the developing world in the development and implementation of appropriate trading rules and guidelines. The challenge is to explore intensively all opportunities — bilateral, regional, and multilateral — to forge consensus with this group of countries on issues of common interest. This undertaking will be very labor- and time-intensive, but worth the investment if we desire to move the U.S. global trade liberalization strategy forward. The importance of this alliance cannot be underestimated because these countries represent our future growth markets. Moreover, if trade liberalization is to occur in multinational bodies such as the World Trade Organization (WTO), the views and issues of concern to developing countries, which make up the vast majority of the membership, cannot be ignored.

Another initiative begun in FY 2000 addressed the closely related challenge of the growing cacophony over food safety and biotechnology issues. It is imperative that we find a way to better coordinate these issues both within our own borders, and with our trading partners. We simply cannot meet the food security challenge of feeding a burgeoning worldwide population without biotechnology. Education and outreach to key customers, partners, and stakeholders will be critical to successfully managing the growing number of bilateral, regional, and multilateral food safety and biotechnology issues.

Since USDA only set the goal to increase U.S. market share in FY 2000, it decided to use FY 2000 results as the baseline. As such, there was no target for FY 2000. Targets for the out-years are based upon a straight-line forecast up to the 22% goal by 2010. It should be noted that while U.S. market share

bottomed out in FY 1999 at approximately 17.9%, it did in fact rebound, like U.S. exports, in FY 2000 to 18.2%. However, to reach the goal of 22% by 2010, new market liberalizations need to be negotiated and commitment to market development has to be increased so that U.S. exporters can be on the ground in the growth markets of the next decade and capture the exports instead of letting our foreign competitors take advantage of these new trade liberalizations as they occur.

FAS. is committed to expanding export opportunities for U.S. agricultural, fish, and forest products, and to doing its part to help alleviate world hunger and food insecurity. Given the budgetary availabilities FAS lives with day to day, these goals must be accomplished through better public/private sector collaboration, strategic planning, and resource management. FAS feels certain that, working together, we can help U.S. agriculture reverse the negative trends and regain our stature in the international marketplace.

Goal 1: Expand export opportunities for U.S. agricultural, fish, and forest products. FAS' standard of success is set at returning U.S. exports to 22 percent of the total international agricultural export market by the year 2010.

Objective 1.1: Open, maintain, and expand foreign market access for U.S. agricultural, fish, and forest products.

Program Activities: Market Access. Negotiate bilateral, regional, and multilateral trade agreements and monitor compliance; identify restrictive tariff and nontariff barriers that restrict U.S. agricultural, fish, and forest product exports and negotiate their removal; facilitate the development of trade-appropriate international standards; and administer import management programs and other mandates.

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Salaries and Expenses (\$Mil.) – Appropriated	\$26.222	\$26.673	\$27.917	\$29.462
FTEs – Appropriated	219	215	215	225

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Increase the U.S. market share of global agricultural trade.	---	---	---	---
Estimated trade opportunities preserved annually by assuring implementation of existing trade agreements by signatory countries through the WTO notification process (\$Mil.) ^{1/}	\$1,995	\$837.43	\$2,200	\$2,200
Estimated trade opportunities preserved annually through development of trade-appropriate guidelines, recommendations, and standards in international organizations (\$Mil.) ^{1/}	\$5,000	\$331	\$5,000	\$5,000
Gross trade value of markets created, expanded or retained annually due to market access activities (other than WTO notifications and/or standards) (\$Mil.) ^{1/}	\$2,567	\$4,349.2	\$2,500	\$2,700
Percent of successfully defended NAFTA/WTO legal challenges of U.S. compliance with regional and multilateral agricultural trade commitments	100%	0%	100%	100%
Percent completion of regional and multilateral trade rules to minimize/eliminate trade-distorting practices				
* WTO (% Seattle Round neg. completed)	10%	25%	40%	50%
* APEC (% of EVSL ^{2/} neg. completed)	50%	65%	100%	----
* FTAA (% of neg. completed)	2%	10%	25%	50%

^{1/} These key performance goals illustrate the impact of international trade negotiations and enforcement monitoring upon the USDA's high-level goal of U.S. access to foreign markets. Constant monitoring and negotiating new agreements add tremendous value to current and potential U.S. exports. It is understood that the measured performance data reflecting potential export markets under negotiation are by nature "not guaranteed" and may be arguable between professional economists - but nevertheless are very significant and will be estimated as they occur using a systematic approach designed to avoid overstatement.

^{2/} EVSL: Environmental and Safety Protocol

Discussion of Annual Performance Goals: The achievement of this performance goal supports the accomplishment of USDA's Goal 1.2: Open, expand and maintain global market opportunities for agricultural producers. The rationale for FAS' efforts to increase foreign market access is to achieve a more level playing field for U.S. agricultural, fish, and forest product exporters. This will result in additional opportunities for U.S. agricultural exports and, in turn, result in additional benefits to the U.S. national and rural economies and domestic employment. FAS performance indicators for market access focus on resolving or advancing country- specific trade issues; implementing, enforcing, and expanding

existing trade agreements; negotiating rules- and standards-based issues; and administering the import management program for sugar and dairy products and the export sales reporting system.

Biotechnology is one of the fastest growing and most sensitive market access issues. The use of biotechnology in the United States and the rest of the world has greatly outpaced its use in other countries. This has created an experience gap between the United States and the rest of the world, and presents very complex market access and market intelligence dissemination challenges in the marketing of U.S. food and agricultural products abroad. The President's FY 2002 budget provides additional funding for FAS to expand and strengthen the Agency's expertise in resolving biotechnology and other technical trade issues with foreign trade partners.

FAS' involvement in crosscutting initiatives that support this objective are the U.S. Government's Trade Policy Steering Committee (TPSC) and Trade Policy Review Committee (TPRC) both chaired by USTR, and the USDA Policy-Level Group on Technical Barriers to Trade. FAS' involvement in these USTR chaired committees ensures that the agricultural production and processing sectors of the U.S. economy and their issues are fully represented. As a result of a General Accounting Office review of USDA's approach to resolving SPS issues, FAS is serving as Secretariat to the USDA Policy-Level Group on Technical Barriers to Trade. Other participating USDA agencies include APHIS, AMS, ARS, ERS, FSIS, GIPSA, OGC, and Office of Chief Economist. FAS is facilitating monthly working level meetings with other USDA agencies to jointly decide priorities for resolving SPS issues.

Objective 1.2: In cooperation with private industry partners, identify and develop new export opportunities and assist the U.S. agricultural sector in responding effectively.

Program Activities: Market Development, Promotion, and Outreach. Seek out and develop export opportunities through market research and trade servicing and develop them through technical assistance and promotion programs targeting foreign audiences conducted by FAS staff or in jointly funded partnership with U.S. food and agriculture export promotion organizations. Improve the effectiveness of U.S. industry export efforts by efficiently communicating export opportunities to the U.S. trade and assisting in the development of comprehensive strategic responses with particular emphasis on cooperatives and small, new-to-market, or disadvantaged entities or products.

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Market Access Program (\$Mil.) – Mandatory	\$90.0	\$90.0	\$90.0	\$90.0
Foreign Market Development Prog (\$Mil) – Appropriated	\$27.5	---	---	---
Foreign Market Development Prog (\$Mil) – Mandatory	---	\$27.5	\$27.5	\$27.5
Quality Samples Program (\$Mil) - Mandatory	---	\$1.5	\$2.5	\$2.5
Salaries and Expenses (\$Mil.) – Appropriated	\$32.900	\$32.124	\$33.183	\$33.860
FTEs --- Appropriated	186	183	183	183

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Expand U.S. agricultural, fish and forestry exports through market development activities	---	---	---	---
Number of FAS program participants that improve their strategic planning process	33	26	22	22
Cumulative number of organizations that have coordinated at least one activity with another participant in the UES process	38	48	43	43
Average ratio of industry contribution to program funds expended	77%	96%	98%	98%
Number of foreign market constraints (other than trade policy) addressed annually through UES	1,510	1,565	1,565	1,565
Number of small businesses budgeted for MAP activities (individually through the Branded program and within Cooperator organizations)	558	507	575	575
Direct sales reported by U.S. participants at international trade shows (\$Mil) ^{1/}	\$315	\$367.3	\$300	\$300
Direct sales reported by U.S. participants based on marketing services of AgExport Connection (trade leads, Buyer Alerts, importer lists) (\$Mil) ^{1/}	\$110	\$61.5	\$60	\$60
Direct sales reported by U.S. participants at attache-sponsored events (AMP activities) (\$Mil) ^{1/}	\$18	\$12.52	\$15	\$15

^{1/} These key performance goals reflect important market development activities which reduce market constraints to U.S. sales. Examples include lack of consumer awareness and utilization of U.S. products, addressed through the MAP and FMD programs, and direct U.S. sales at international trade shows or through import buyer alerts and trade leads. While these performance goals are “snapshots” of market penetration, the impact on repeat sales and U.S. exports in years to come are obvious. Many econometric models by respected universities have confirmed that successful market penetration is accompanied by long-term export sales and domestic benefits upon U.S. industry and employment.

Discussion of Annual Performance Goals: The achievement of these performance goals supports the accomplishment of USDA’s Goal 1.2: Open, expand and maintain global market opportunities for agricultural producers. USDA’s rationale for strengthening U.S. agriculture’s long-term competitive position in global markets is to provide a more level playing field for U.S. exporters of agricultural, fish,

and forest products. FAS' market development strategy relies heavily on market promotion programs (FMD, MAP, and trade show sponsorship) and an ambitious overseas and domestic outreach effort.

FAS is developing a meaningful outcome-related performance goal that measures the impact of our market development and promotion programs on expanding export opportunities. Economic analysis can only project the impact of these activities on increasing exports given certain assumptions. The difficulty FAS faces is not with expressing the level of performance in a tangible and measurable manner through economic analysis, but with comparing actual achievement in future years (i.e., complying with the definition of a performance goal in OMB Circular No. A-11, Part 2).

Objective 1.3: Provide world market agricultural intelligence services to support the accomplishment of other FAS strategic objectives and to meet the market intelligence needs of internal and external users.

Program Activities: Market Intelligence Collect, manage, analyze, and disseminate information in support of agency-wide objectives including mandatory reporting and monitoring requirements; provide timely and accurate intelligence to FAS, USDA and other USG policy makers, program administrators, and data collection agencies; and distribute export market information to FAS's industry partners, universities and other private and public sector entities.

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Salaries and Expenses (\$Mil.) – Appropriated	\$23.308	\$23.710	\$24.816	\$28.222
FTEs --- Appropriated	194	192	192	195

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Percent of external customers who rate FAS market intelligence as important or essential to their businesses ^{1/}	---	---	---	---
Percent of internal stakeholders who rate FAS market intelligence as important or essential to their work (FY 2002 target for administering this survey) ^{1/}	—	—	—	—
Percent of FAS circulars that are complete, meet scheduled release dates, and contain no data errors	98.3%	100%	95%	95%
Number of average daily user sessions accessing FAS home page over the internet by non-FAS users	2,979	4,600	6,000	7,000
Forecasting reliability of WASDE projections (Avg percent reliable: difference between February projection and final estimates for wheat, corn, rice, soybeans, and cotton) ^{2/}				
World exports	95.62%	96.21%	96 %	96 %
U.S. exports	95.96%	95.69%	94 %	94 %
Foreign (non-U.S.) production	98.36%	98.98%	96 %	96 %
Number of countries assessed in FY 1999 for Y2K readiness in the international food supply sector and monitored in FY 2000	81	160	---	---

^{1/} A key performance goal for market intelligence -- that is, collecting and distributing global trade, consumer demand, and production data on nearly 110 foreign countries, is whether it is fulfilling the needs of U.S. customers. There is no better way to serve the customer than to ask for their input regarding service.

^{2/} This performance indicator shows the reliability of FAS market intelligence activities despite all of the challenges (e.g., weather, political instability in foreign markets, etc.) FAS faces as it develops these estimates.

Discussion of Annual Performance Goals: The achievement of these performance goals supports the accomplishment of USDA's Goal 1.2: Open, expand and maintain global market opportunities for agricultural producers. The rationale for USDA's foreign market intelligence gathering and analysis is two-fold. First, comprehensive and timely market information is critical to USDA's ability to support its program, regulatory, and policy-making activities in international trade and domestic production and marketing. Second, access to timely market information is vital to U.S. producers and exporters who lack the economies of scale to collect and analyze this information on their own. FAS also collects overseas trade leads from foreign importers and supplies them to U.S. exporters.

FAS uses its comprehensive worldwide market intelligence gathering network to alert the domestic market to external factors such as variability in crop production due to weather conditions and the

negative effects of foreign exchange fluctuations and economic instability on U.S. export opportunities. FAS works with industry partners, State and local governments, and other Federal agencies (e.g., National Oceanic Atmospheric Administration and USDA's World Agricultural Outlook Board, Economic Research Service, and National Agricultural Statistics Service) to accomplish its market intelligence objective. FAS will concentrate its effort on key export markets, key import suppliers, and major food aid recipients. The President's FY 2002 budget provides \$2.7 million in additional funding to improve the Agency's overseas market intelligence capabilities so the Department can address more effectively governmental policies and issues that affect the competitiveness of U.S. food and agricultural exports.

Objective 1.4: Focus financial and marketing assistance programs to meet foreign market development needs.

Program Activities: *Financial/Marketing Programs:* Administer price/credit and risk assistance programs to leverage overseas market expansion opportunities for U.S. agricultural, fish, and forest products, and to counter export subsidies of foreign competitors to allow U. S. exporters to compete on a level playing field regarding sales terms.

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
General Sales Manager (GSM) Export Credit Guarantees (\$Mil.) – Mandatory	\$3,045.0	\$3,082.0	\$3,792.0	\$3,904.0
Export Enhancement Prog (EEP) (\$Mil.) – Mandatory	\$1.4	\$2.0	\$478.0	\$478.0
Dairy Export Incentive Prog (DEIP) (\$Mil.) – Mandatory	\$145.0	\$78.0	\$34.0	\$42.0
Salaries and Expenses (\$Mil.) – Appropriated	\$8.741	\$8.892	\$9.682	\$9.947
FTEs --- Appropriated	73	72	77	77

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
U.S. agricultural exports supported by GSM export programs (GSM-102/103, Supplier Credit, Facility Finance Guarantees) (\$mil. registered) ^{1/}	\$3,045	\$3,082	\$3,792.0	\$3,904
U.S. agricultural exports supported by Subsidy Programs (EEP and DEIP) (\$Mil.) ^{1/}	\$340	\$261	\$172	\$172
Annual number of GSM programs analyzed for market opportunities and risk	56	56	54	54
Assuring Commercial Program Integrity: Percent of identified administrative actions resolved (e.g., for nonperformance, suspensions and disbarments, etc.).	92.4%	73%	75%	75%

^{1/} These key performance goals for operating legislated programs focus specifically upon commodity export support such as the Dairy Export Incentive Program (DEIP) and the GSM Export Credit Guarantee programs to assist export sales. The anticipated level of U.S. exports assisted will be compared to the actual level accomplished. Data reflecting actual accomplishment is straight forward and well documented.

Discussion of Annual Performance Goals: These performance goals and indicators support the accomplishment of USDA's Goal 1.2: Open, expand and maintain global market opportunities for agricultural producers. FAS uses its financial marketing tools to leverage market access and market expansion to enable developing countries lacking foreign exchange to buy U.S. agricultural, fish, and forest products on the commercial market. In this vein, FAS is focusing its foreign country financial marketing assistance programs away from the foreign government public sector as the primary importer to private sector importers. The global trend toward privatization has increased the relative importance of private sector buyers.

The GSM program is an especially useful tool to mitigate the negative effects of economic instability, which often results in short-term liquidity crunches. A recent example includes the use of GSM export credit guarantees to help importers buy U.S. agricultural products during the Asian financial crisis. In response to that crisis, the programming of export credit guarantees was expanded substantially and sales registrations under the programs were 40% higher in 1998 compared with the previous year. FAS works in partnership with exporters, domestic banks, and the Farm Service Agency's Financial Management Division in administering the GSM program. While the U.S. has a large share of the world market for bulk commodities, there is continued room for export growth in the high-value product sector. The Supplier Credit Guarantee Program (SCGP) was created to expand high-value product exports by facilitating credit for such purchases in foreign markets lacking sufficient liquidity to purchase openly on the commercial market. The SCGP has more than doubled in volume every year since its inception in 1997.

Goal 2: Promote world food security. Success is measured by the level of achievement towards the World Food Summit target of reducing the 1996 estimate of 841 million undernourished people by half (420 million) by 2015. The FAO estimates an annual target of 20 million people per year.

Objective 2.1: Develop and implement research, training, and technical assistance activities which promote development and adoption of policies that help meet world food security challenges as outlined in the 7 priority strategies in the U.S. Action Plan on Food Security.

Program Activities: Long-term Market and Infrastructure Development: Administer technical assistance, training, and research activities that promote broad-based agricultural and agribusiness development and address global food safety and nutrition issues and represent USDA interests in international fora dealing with these and other agriculture and food related issues.

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Salaries and Expenses (\$Mil.) – Appropriated	\$8.227	\$8.227	\$8.798	\$8.970
(\$Mil.) – Reimbursable	\$64.799	\$68.180	\$82.836	\$81,215
FTEs --- Appropriated	30	30	30	30
Reimbursable	143	148	153	159

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Activities in support of reducing the 1996 estimate of 841 million undernourished people by half (420 million) by 2015.	---	---	---	---
Direct resources in support of agricultural related issues within the 7 priority strategies in the <u>U.S. Action Plan on Food Security</u> (\$Mil.)	\$39.9	\$53.8	\$53.8	\$53.8
Number of research, training, and technical assistance activities in support of agricultural related issues within the 7 priority strategies in the <u>U.S. Action Plan on Food Security</u> *	789	967	967	967
Contributions to FAS (in kind and financial by non federal government sources) to total funds expended upon the 7 priority strategies in the <u>U.S. Action Plan on Food Security</u>	8.6%	9.5%	9.0%	9.0%
Number of activities in support of the <u>U.S. Action Plan on Food Security</u> . Priority Strategy: Trade and Investment	na	na	513	513
Number of activities in support of the <u>U.S. Action Plan on Food Security</u> . Priority Strategy: Research and Education	na	na	321	321
Number of activities in support of the <u>U.S. Action Plan on Food Security</u> . Priority Strategy: Sustainable Food Systems and the Environment	na	na	133	133
Number of activities in support of the <u>U.S. Action Plan on Food Security</u> . Priority Strategy: Information and Mapping	na	na	5	12
Number of agricultural development and environment agreements negotiated, implemented or monitored.	7	6	na	na
Number of U.S. citizens assisted in obtaining senior management positions in international organizations representing agricultural interests	11	8	na	na

Discussion of Annual Performance Goals: The achievement of these performance goals supports the accomplishment of USDA's goal 2.2: Enhance world food security and assist in the reduction of world hunger. The rationale for FAS' administration of research, technical assistance, and economic development activities funded by USAID and other organizations is to help support the internationally sanctioned goal of reducing by half the number of hungry and under-nourished people worldwide by the year 2015.

FAS' rationale for facilitating the education of foreign officials and key experts in foreign countries on U.S. food safety standards and biotechnology is that we can help mitigate foreign customers' concerns over food safety through education and information dissemination. These activities are carried out by working with universities and other Federal agencies such as the Agricultural Research Service, Animal and Plant Health Inspection Service, and USAID, to secure technical experts in the area of food safety and biotechnology.

The Economic Research Service analyzes on an annual basis the food security of low-income countries that face immediate or potential gaps in meeting the minimal nutritional requirements (i.e., food gap) of their populations. This study, entitled "Food Security Assessment", provides a consistent methodology to measure the food security situation of 66 countries. It is generally recognized that food aid alone is not the answer. FAS mitigates external factors that contribute to food insecurity by working with international development banks, other Federal agencies (primarily USAID), and other organizations to encourage sustainable agricultural practices and enhance economic development and income growth.

Objective 2.2: Develop and administer food aid and other assistance programs to meet international food security challenges and U.S. Government commitments.

Program Activities: *Long-term Market and Infrastructure Development:* Administer P.L. 480 Title I, Food for Progress, and Emerging Markets programs to meet humanitarian assistance needs, promote sustainable long-term economic development, and increase and diversify U.S. agricultural exports.

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
P.L. 480, Title I Credit Sales (\$Mil.) – Appropriated	\$830.0	\$346.0	\$179.5	\$159.6
Food for Progress ^{a/} (\$Mil.) – Mandatory	\$50.5	\$54.3	\$47.0	\$47.0
Section 416(b) ^{a/} (\$Mil.) - Mandatory	\$610.8	\$502.8	\$534.2 ^{a/}	TBD ^{b/}
Emerging Markets Program (EMP) (\$Mil.) – Mandatory	\$10.0	\$10.0	\$10.0	\$10.0
Salaries and Expenses (\$Mil.) – Appropriated	\$13,282	\$13,568	\$15,031	\$15,359
FTEs – Appropriated	106	106	116	116

^{a/} Represents 50 percent of the allocated costs of Food for Progress and Section 416(b) donations. Balance is allocated to FSA.

^{b/} Level of Section 416(b) programming to be determined based on the availability of uncommitted CCC commodity inventory.

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
U.S. agricultural exports supporting world food security:				
o P.L. 480, Title I (\$Mil.)	\$656.2	\$302.1	\$159.3	\$139.4
o CCC-funded Food for Progress (\$Mil.)	\$71.9	\$68.5	\$53.9	\$53.9
o Section 416(b) (\$Mil.) ^{1/}	\$793.6	\$501.5	\$503.8	TBD ^{b/}
Number of food aid agreements signed (Title I, Food for Progress, Section 416(b))	123	91	134	134
Percent of P.L. 480 Title I and Food for Progress program allocated to support expanded private sector activities in recipient countries	15.0%	20%	13%	13%
Number of Food for Progress and Section 416(b) agreements Monitored and Evaluated	159	250	190	190

^{1/} These key performance goals illustrate the operation of legislated programs focused on providing food aid to reduce short-term food insecurity in targeted countries. The anticipated level of U.S. exports assisted will be compared to the actual level accomplished. Data reflecting actual accomplishment is straight forward and well documented.

^{b/} Level of Section 416(b) programming to be determined based on the availability of uncommitted CCC commodity inventory.

Discussion of Annual Performance Goals: These performance goals and indicators support the accomplishment of USDA's goal 2.2: Enhance world food security and assist in the reduction of world hunger. The rationale for FAS' administration of food aid and the Emerging Markets Program is to support long-term market infrastructure development to advance the important agency goal of promoting world food security. While food aid programs address both immediate humanitarian assistance needs and surplus reduction goals, USDA is focusing efforts to enhance the use of these programs to achieve long-term market development goals. One example of this is use of P.L. 480, Title I private sector authority. This is in addition to the food aid programs focused mainly on monetization that actively support private sector activity and economic growth in recipient countries.

As authorized by the P.L. 480 statute, FAS will use foreign currencies generated by P.L. 480 Title I, Section 108, to fund technical assistance and market development initiatives. FAS funds activities in selected countries to facilitate a transition toward commercially financed trade. The objective is to

The P.L. 480 Title I funds support market development initiatives and food aid commitments in Asia, Sub Saharan Africa, and other regions. Food for Progress supports initiatives in developing countries and countries that are emerging democracies that are committed to introduce or expand free enterprise elements into their agricultural economies. Section 416(b) of the Agricultural Act of 1949 provides that excess Commodity Credit Corporation stocks can be used to support humanitarian food aid activities.

Management Initiative: Provide fair and equal treatment in agency employment and the delivery of FAS programs.

Program Activities: All

	FY 1999 Actual	FY 2000 Actual	FY 2001 Estimate	FY 2002 Estimate
Salaries and Expenses (\$Mil.) FTEs	Included under Goals 1 & 2	Included under Goals 1 & 2	Included under Goals 1 & 2	Included under Goals 1 & 2

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Administer Civil Rights Program Delivery Plan focused on increasing the involvement of minority organizations and universities.	60%	75%	50%	50%
Implement Conflict Management Policy and Procedures and Train All Managers (CRIT 3.3)	50%	87%	75%	75%
Develop Agency Workforce Plans and Implement Human Resources Evaluation Program, Worklife Survey, and Exit Interviews (CRIT 3.5)	60%	100%	75%	75%
Provide Civil Rights Training to All Employees (CRIT 4.1).	95%	9.4%	85%	85%
Percent of managers who have had 80 or more hours of management/leadership training (FAS Goal is that 90% of its managers will have had 80 or more hours of Management/Leadership training by 2007). (CRIT 3.6)	29.6%	40.7%	50%	60%

Discussion of Annual Performance Goals: The achievement of these performance goals supports the achievement of USDA's management initiative 1 - to ensure that all customers and employees are treated fairly and equitably, with dignity and respect. FAS' goals are consistent with the Civil Rights Implementation Team recommendations.

Appendix A - Means and Strategies / Verification and Validation

Objective 1.1: Open, maintain, and expand foreign market access for U.S. agricultural, fish, and forest products.

Means and Strategies: FAS's top priority over the next three years is on market access issues. FAS resources are needed to strengthen USDA's coordination, monitoring, and enforcement of existing international trade agreements, including the Uruguay Round Agreement, the North American Free Trade Agreement, technical agreements on Sanitary and Phytosanitary (SPS) issues, and bilateral agreements with various countries around the world. FAS' strategy to develop policies for resolving/reducing trade barriers is determined in large part through inter-agency processes and reflects Administration priorities. Within USDA, it is also determined in consultation with policy officials including the Office of the Secretary and the Sub-Cabinet. FAS also coordinates private sector involvement in identifying overall trade policy objectives regarding agricultural trade issues through the Agricultural Policy Advisory Committee (APAC) and five Agricultural Technical Advisory Committees (ATACs).

The lead organizational unit is FAS' International Trade Policy program area. Its activities are supported by Commodity and Marketing Programs and FAS' overseas offices which dedicate considerable resources to the resolution of trade policy issues. FAS foreign and domestic travel enables FAS headquarter representatives and negotiators to successfully accomplish these goals.

FAS recognizes the need for a more integrated and comprehensive process for tracking trade policy issues from identification to resolution and is developing an integrated trade issues data base. Through focus groups and prototype development, FAS has developed a distributed client/server and Internet database application that allows USDA employees worldwide to access a unified catalog of trade issues. The application relies on separate work units within FAS, FSA, APHIS, FSIS, and GIPSA for maintenance. The separate databases of the individual work units are linked by a central search engine. FAS is working to ensure that its systems are compatible with the standards established by the USDA Standards and Architecture Groups of the Office of the Chief Information Officer.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. The Deputy Administrator for International Trade Policy is responsible for coordinating the reporting on the measures above. Managers have developed verification and validation procedures for each measure ensuring the validity of information reporting in the Annual Performance Report. FAS Compliance Review staff reviews these procedures for completeness and accuracy and performs periodic reviews. Also, FAS developed a performance management and reporting system that will soon be accessible from FAS' Intranet. Each Deputy Administrator is required to report accomplishments against agency targets on a quarterly basis. These reports are reviewed by the Office of the Administrator and the appropriate upper-level managers so that mid-course adjustments can be made and resources reallocated if necessary.

Objective 1.2: In cooperation with private industry partners, identify and develop new export opportunities and assist the U.S. agricultural sector in responding effectively.

Means and Strategies: FAS is increasing its market development programs' effectiveness by integrating them with other export programs, activities, and policy initiatives, and targeting promising growth markets or growth market segments in mature markets where market development is the most appropriate tool to boost exports. However, while pursuing this growth strategy, FAS must continue to

invest appropriate resources in mature markets to protect hard-won gains from increasingly well-funded market development efforts by competitors.

FAS will continuously monitor competitor expenditures on export promotion and subsidies, and deploy staff, technological, and program resources through a unified export strategy to effectively combat the external threat posed by foreign competitors to market opportunities for U.S. agricultural, fish, and forest products. FAS also will work with industry partners, State and local governments, and other Federal departments and agencies involved in export promotion such as Department of Commerce, Export-Import Bank, Small Business Administration, and other USDA agencies (e.g., AMS, FSA, and the Rural Development Mission area) to ensure exporters are made aware of foreign market opportunities in a timely manner.

Increased workload demands will require significant improvements in staff efficiency and effectiveness. Utilizing appropriate technologies will assist FAS in handling this increased workload. FAS uses the U.S. Agricultural Marketing System (USAM) to account for the expenditures of funds received by the participants of the MAP and FMD programs. FAS is working to ensure that its systems are compatible with the standards established by the USDA Standards and Architecture Groups of the Office of the Chief Information Officer. Resources required for effective market development, promotion, and outreach include human resources, both in Washington and overseas, as well as program resources (FMD and MAP). Funds for human resources should include, in addition to staff salaries, provisions for domestic and foreign travel, as well as training. Both are crucial to the successful execution of FAS' strategy and attainment of its strategic and annual performance goals. The lead organizational unit is FAS' Commodity and Marketing Programs area. FAS' overseas offices are essential to assisting U.S. suppliers in establishing marketing and distribution channel contacts in foreign markets and also are critical to conduct overseas outreach events to generate interest in U.S. food and agricultural products.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. The Deputy Administrator for Commodity and Marketing Programs is responsible for coordinating the reporting on the measures above. Managers have developed verification and validation procedures for each measure ensuring the validity of information reporting in the Annual Performance Report. FAS Compliance Review staff reviews these procedures for completeness and accuracy and performs periodic reviews. Also, FAS has developed a performance management and reporting system that will soon be accessible from FAS' Intranet. Each Deputy Administrator is required to report accomplishments against agency targets on a quarterly basis. These reports are reviewed by the Office of the Administrator and the appropriate upper level managers so that mid-course adjustments can be made and resources reallocated if necessary.

Objective 1.3: Provide world market agricultural intelligence services to support the accomplishment of other FAS strategic objectives and to meet the market intelligence needs of internal and external users.

Means and Strategies: The lead organizational unit for market intelligence is FAS' Commodity and Marketing Programs area. In coordination with FAS' overseas offices, which collect, analyze, and forecast country-specific crop and market information, this organizational unit assures accurate and timely distribution to end-users. Funds for human resources should include, in addition to staff salaries, provisions for foreign and domestic travel, as well as training. Both are crucial to the successful execution of FAS' strategy and attainment of its strategic and annual performance goals.

FAS works in partnership with the World Agricultural Outlook Board, National Agricultural Statistics Service, the Economic Research Service, and the USDA Office of the Chief Economist. In support of World Agricultural Outlook Board, FAS maintains up-to-date remote sensing capabilities for analysis of domestic and foreign crop production. Additionally, FAS is implementing two information technology initiatives that enhance its ability to rapidly gather, transmit, analyze, and disseminate

agricultural intelligence. The Global Agricultural Information Network (GAIN) and the Production, Supply, and Distribution (PS&D) systems address the information acquisition, storage, transmission, and dissemination needs of FAS, other USDA agencies, and exporters by simplifying reporting procedures from FAS overseas posts, thereby freeing resources for additional intelligence and/or market development activities (i.e., focusing on increasing trade leads and buyer alerts).

FAS relies on a global information infrastructure to effectively carry out its mission. FAS computer hardware and software is located at over 90 overseas posts, which are mostly co-located with the Department of State (DOS) in embassies or consulates. A major focus of its overseas office infrastructure is collecting and reporting market-oriented intelligence. Information collected, reported, and disseminated is central to FAS effectiveness in attaining its mission, goals, and objectives. Therefore, its communications systems and links are critical to the success of those efforts. Ongoing efforts to enhance and upgrade systems are a major focus of the agency and, in the case of its overseas offices, these efforts must rely on cooperation and joint implementation with the DOS. Overseas communications relies in many respects on DOS and Diplomatic Telecommunications Service (DTS). FAS recently innovated use of DTS circuits for the provision of World Wide Web access. The ubiquitous nature of Internet technology makes it especially well suited to provide a global information infrastructure.

To maintain an effective communications system and mitigate the negative impact of disparate information handling processes across the Federal Government, FAS must rapidly adopt standards-based technologies that will allow these processes to be integrated. Since the primary driver of communication requirements is the DOS, FAS works with them and other Federal agencies which have overseas offices and personnel (e.g., Treasury Department and Commerce Department) in adopting standards-based technologies. Where appropriate, FAS ensures that these standards are compatible with those established by the USDA Standards and Architecture Groups of the Office of the Chief Information Officer.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. The Deputy Administrator for Commodity and Marketing Programs is responsible for coordinating the reporting on the measures above. Managers have developed verification and validation procedures for each measure ensuring the validity of information reporting in the Annual Performance Report. FAS Compliance Review staff reviews these procedures for completeness and accuracy and performs periodic reviews. Also, FAS has developed a performance management and reporting system that will soon be accessible from FAS' Intranet. Each Deputy Administrator is required to report accomplishments against agency targets on a quarterly basis. These reports are reviewed by the Office of the Administrator and the appropriate upper level managers so that mid-course adjustments can be made and resources reallocated if necessary.

Objective 1.4: Focus financial and marketing assistance programs to meet foreign market development needs.

Means and Strategies: FAS' lead organizational unit for planning and implementation of financial market assistance programs is its Export Credits program area. FAS strategy to identify and prioritize country allocations incorporates the Country Promotion Planning Process annually conducted by FAS' overseas offices. Each potential export credit recipient is evaluated for country economic outlook, its liquidity situation, and repayment risk before recommending participation. FAS administers these programs to maximize their impact on food security commitments of the U.S. government and expand export opportunities for U.S. agricultural, fish and forest products. Ensuring a high-level of participant compliance and operational integrity for these commercial programs is a major priority for FAS. This ensures that these valuable programs operate in the manner that the legislation requires and are operated fairly to assist U.S. exporters in capturing export sales for their products. A high

degree of labor is required to operate, disburse, and ensure the integrity of these programs, as well as significant foreign and domestic travel to effectively plan and implement these programs.

As mandated by the Agricultural Trade Act of 1978, as amended, the Secretary of Agriculture is required to certify that a country is able and willing to meet its current and future debt obligations before extending commercial credit guarantees. This responsibility was delegated to FAS. This mandate complements the Credit Reform Act of 1990 which resulted in the creation of the Interagency Country Risk Assessment System Working Group. This 9-agency group which is chaired by OMB, establishes the country risk ratings that are used to develop budget subsidy estimates for the Commodity Credit Corporation Export Credit Guarantee Programs (GSM-102, 103, Supplier Credit, and Facility Guarantee programs).

The Farm Service Agency of USDA is responsible for the financial management (budget and accounting) and IRM systems maintenance for these programs. Additionally, FAS is working to ensure that its systems are compatible with the standards established by the USDA Standards and Architecture Groups of the Office of the Chief Information Officer. Additionally, FSA has the program management responsibility for approving foreign banks' participation in the guarantee programs and for setting foreign bank credit (exposure) limits. As FSA's administrative services are converged with the administrative units of Rural Development and the Natural Resources Conservation Service, FAS will work to ensure that the program requirements continue to be met.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. The Deputy Administrator for Export Credits is responsible for coordinating the reporting on the measures above. Managers have developed verification and validation procedures for each measure ensuring the validity of information reporting in the Annual Performance Report. FAS Compliance Review staff reviews these procedures for completeness and accuracy and performs periodic reviews. Also, FAS has developed a performance management and reporting system that will soon be accessible from FAS' Intranet. Each Deputy Administrator is required to report accomplishments against agency targets on a quarterly basis. These reports are reviewed by the Office of the Administrator and the appropriate upper level managers so that mid-course adjustments can be made and resources reallocated if necessary.

FAS uses the following automated systems to capture data required to verify and validate the performance indicators. FAS' automated systems include the GSM Export Credit Guarantee system, the Dairy Export Incentive Program (DEIP) system, and the Export Enhancement Program (EEP) system. Deriving the level of U.S. exports supported for these programs varies by program. For the GSM export credit guarantee programs, the impact is verified by the dollar level of registered commitments compared to total GSM program announcements. For the DEIP and EEP programs, the impact is derived by multiplying the domestic market price by the quantity of commodities purchased by foreign buyers through the programs.

Objective 2.1: Develop and implement research, training, and technical assistance activities which promote development and adoption of policies that help meet world food security challenges as outlined in the 7 priority strategies in the *U.S. Action Plan on Food Security*.

Means and Strategies: The lead organizational unit is FAS' International Cooperation and Development (ICD) program area. Most of the funding of this program area's activities for administering research, technical assistance, training, and economic development is through reimbursable agreements with USAID, other USDA and Federal agencies, and foreign governments. The balance is supported by a combination of reimbursable funds for general support and administrative services, and FAS appropriated funding allocated for specific projects. Additionally, the FAS budget reflects resources associated with office space, computer hardware and software, and human resource support services (i.e., HAD, MSD and ARM). Improved use of enabling technologies

and other operational processes will help FAS in achieving its objectives for this program activity by the year 2002.

For example, FAS is currently implementing an Operational Information System (OIS) to track ICD Funding Authorizations, projects, and activities, as well as people and organizations with whom ICD does business. The purpose of this investment is to create a business operations, management information, and reporting system which provides useful functionality to both ICD Divisions and to the Deputy Administrator, ICD/FAS. Currently, the absence of such a system has limited ICD's ability to effectively and efficiently conduct its business activities and to respond in a timely manner to informational requests from Congress, cooperators, clients and customers. FAS is working to ensure that all its systems are compatible with the standards established by the USDA Standards and Architecture Groups of the Office of the Chief Information Officer.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. The Deputy Administrator for International Cooperation and Development is responsible for coordinating reporting on the measures above. Managers have developed verification and validation procedures for each measure ensuring the validity of information reporting in the Annual Performance Report. FAS Compliance Review staff reviews these procedures for completeness and accuracy and performs periodic reviews. Also, FAS has developed a performance management and reporting system that will soon be accessible from FAS' Intranet. Each Deputy Administrator is required to report accomplishments against agency targets on a quarterly basis. These reports are reviewed by the Office of the Administrator and the appropriate upper level managers so that mid-course adjustments can be made and resources reallocated if necessary.

FAS performance indicators related to the number of project participants and technical assistance activities will be verified in project and program reports and evaluations required under funding agreements. FAS conducts an annual evaluation of its activities related to FAS/USDA representation at both international and inter-agency organizations. This evaluation will document qualitative and quantitative outcomes of such activities.

Objective 2.2: Develop and administer food aid and other assistance programs to meet international food security challenges and U.S. Government commitments.

Means and Strategies: Resources necessary to accomplish this initiative are provided through a combination of Commodity Credit Corporation funding and salaries and expense funding.

FAS's food assistance planning strategy is to identify and prioritize country allocations by using the data collected through the Country Promotion Planning Process (that is provided by FAS' overseas offices) and other sources. FAS' Export Credits program office evaluates this information and develops and administers programs and activities allowed under the legislation. This program area works in coordination with FAS' International Cooperation and Development program area, sharing responsibility for some Emerging Markets projects and P.L. 480 foreign currency accounts. FAS' headquarters office uses its overseas field office staff and works with other U.S. governmental agencies' staff in countries where FAS is not present to help negotiate P.L. 480 Title I agreements and review the viability of Emerging Markets and Food for Progress projects. FAS works in partnership with private voluntary organizations and other agricultural development organizations, including agricultural marketing cooperatives, to implement Emerging Markets and Food for Progress programs. Under the Food for Progress program, FAS uses the services of the procurement staff of the Farm Service Agency (FSA) in Kansas City, Missouri to purchase the commodities. FAS' P.L. 480 Operations Division oversees freight arrangements for bulk commodities, and the Agency for International Development oversees freight arrangements for packaged commodities. FAS also works with AID, FSA, and the Maritime Administration of the Department of Transportation to implement the cargo preference provisions of the Merchant Marine Act, 1936, as amended, where at least 75% of

the gross tonnage of commodities exported under food aid programs must be shipped on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates. Improved use of enabling technologies and other operational processes will help FAS in achieving its objectives for this program activity by the year 2002. FAS is working to ensure that its systems are compatible with the standards established by the USDA Standards and Architecture Groups of the Office of the Chief Information Officer.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. The Deputy Administrator for Export Credits is responsible for coordinating the reporting on the measures above. Managers have developed verification and validation procedures for each measure ensuring the validity of information reporting in the Annual Performance Report. FAS Compliance Review staff reviews these procedures for completeness and accuracy and performs periodic reviews. Also, FAS has developed a performance management and reporting system that will soon be accessible from FAS' Intranet. Each Deputy Administrator is required to report accomplishments against agency targets on a quarterly basis. These reports are reviewed by the Office of the Administrator and the appropriate upper level managers so that mid-course adjustments can be made and resources reallocated if necessary.

FAS uses automated systems to capture data required to verify and validate the performance indicators, including the Automated P.L. 480 Umbrella System (APLUS) and various small databases. The APLUS system is maintained by FSA under the auspices of the Commodity Credit Corporation and is used jointly by FAS and FSA to provide complete financial management and accounting for this program.

Management Initiative: Provide fair and equal treatment in agency employment and the delivery of FAS programs.

Means and Strategies: Resources necessary to accomplish this initiative are provided through salaries and expenses funding.

FAS will utilize the Affirmative Employment and Recruitment Program planning process, in conjunction with the workforce planning processes, to identify under-represented groups by occupation and grade, and concentrate development and recruitment efforts in those areas. FAS will seek opportunities to increase representation of women, minorities, and persons with targeted disabilities in under-represented grade levels and occupations partially through more focused recruitment efforts, utilizing the 1890 Scholars Program, HACU Summer Intern Program, 1994 Land Grant institutions and Asian-Pacific American students.

Agency recruitment personnel are trained and certified to pursue recruitment opportunities in appropriate institutions and organizations. Agency-wide diversity and conflict management training will be provided to all managers to improve managers' skills in working in a diverse workforce and their conflict management skills. Other EEO and Civil Rights training will be provided to managers and employees following guidance from the Department. Alternative Dispute Resolution (ADR) procedures have been established for both FAS unions and non-bargaining unit employees. The purpose of ADR is to reduce the number of informal complaints that become formal complaints.

Verification and Validation: FAS employs a mix of manual and automated procedures and systems to verify and validate the performance indicators associated with this objective. The Director of Civil Rights is responsible for coordinating reporting on the measures above on a quarterly basis. These reports are periodically reviewed by the Office of the Administrator and the appropriate upper level managers so that mid-course adjustments can be made and resources reallocated if necessary.

Summary of Agency Resources

FY 2002
(\$000)

Program Activity	Goal 1	Goal 2	Total
1.1 Market Access			
Appropriated – Salaries and Expenses FTEs	\$29,462 225		\$29,462 225
1.2 Market Development, Promotion, and Outreach			
Mandatory – Market Access Program Foreign Market Development Program Quality Samples Program	\$90,000 \$27,500 \$2,500		\$90,000 \$27,500 \$2,500
Appropriated – Salaries and Expenses FTEs	\$33,860 183		\$33,860 183
Subtotal – Combined Mandatory and Appropriated	\$153,860		\$153,860
1.3 Market Intelligence			
Appropriated – Salaries and Expenses FTEs	\$28,222 195		\$28,222 195
1.4 Financial Marketing Assistance			
Mandatory – Export Credit Guarantees Export Enhancement Program Dairy Export Incentive Program	\$3,904,000 \$478,000 \$42,000		\$3,904,000 \$478,000 \$42,000
Appropriated -- Salaries and Expenses FTEs	\$9,947 77		\$9,947 77
Subtotal – Combined Mandatory and Appropriated	\$4,433,947		\$4,433,947

Program Activity	Goal 1	Goal 2	Total
Long-term Market and Infrastructure Development			
2.1 Research, Technical Assistance, Training Activities For Sustainable Development			
Appropriated – Salaries and Expenses FTEs		\$8,970 30	\$8,970 30
Reimbursable – Salaries and Expenses FTEs		\$81,215 159	\$81,215 159
Subtotal – Combined Appropriated and Reimbursable		\$90,185	\$90,185
2.2 Administer PL 480 and Other Assistance Programs			
Mandatory – Food for Progress Section 416(b) Emerging Markets Program		\$47,000 TBD ^{1/} \$10,000	\$47,000 TBD ^{1/} \$10,000
Appropriated – P.L. 480, Title I Salaries and Expenses FTEs		\$159,600 \$15,359 116	\$159,600 \$15,359 116
Subtotal – Combined Appropriated and Mandatory		\$231,959 ^{2/}	\$231,959 ^{2/}
Total FAS Resources Combined Appropriated and Reimbursable	\$4,645,491	\$322,144 ^{2/}	\$4,967,635 ^{2/}
Total FAS FTEs Combined Appropriated and Reimbursable	680	305	985

^{1/} Level of Section 416(b) programming to be determined based on the availability of uncommitted CCC commodity inventory.

^{2/} Totals do not reflect level of Section 416(b) programming, which is determined based on the availability of uncommitted CCC commodity inventory.